



CITY COUNCIL

AGENDA REQUEST

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| AGENDA OF: | 05-25-10 | AGENDA REQUEST NO: | III-B |
| INITIATED BY: | TERESA PREZA, EVENT PRODUCTION MANAGER | RESPONSIBLE DEPARTMENT: | PARKS AND RECREATION |
| PRESENTED BY: | TERESA PREZA, EVENT PRODUCTION MANAGER <i>Teresa Preza</i> | DEPARTMENT HEAD: | JIM BROWNE, DIRECTOR OF PARKS AND RECREATION <i>JB</i> |
| | | ADDITIONAL DEPARTMENT HEAD (S): | N/A |
| SUBJECT / PROCEEDING: | WORKSHOP ON EVENT SPONSORSHIP POLICY | | |
| EXHIBITS: | INTEROFFICE-DEPARTMENTAL POLICY AND PROCEDURE - POLICY NO. PR-101 ACCEPTING SPONSORSHIP FOR CITY EVENTS FLOWCHART | | |
| CLEARANCES | | APPROVAL | |
| LEGAL: | N/A | EXECUTIVE DIRECTOR: | N/A |
| PURCHASING: | N/A | ASST. CITY MANAGER: | KAREN DALY <i>Kd</i> |
| BUDGET: | N/A | CITY MANAGER: | ALLEN BOGARD <i>Allen Bogard</i> |
| BUDGET | | | |
| EXPENDITURE REQUIRED: \$ | | N/A | |
| CURRENT BUDGET: \$ | | N/A | |
| ADDITIONAL FUNDING: \$ | | N/A | |
| RECOMMENDED ACTION | | | |
| Review and discussion of the Event Sponsorship Policy. | | | |

EXECUTIVE SUMMARY

As the Event Production program continues to expand, local businesses have gained an interest in partnering with the City to leverage their outreach and marketing programs. These companies are looking to synergize their marketing dollars to target specific audiences, and to showcase their corporate philanthropic philosophy through public-private partnership opportunities.

In response to this increased level of interest, the Parks and Recreation Department has developed a sponsorship policy that would allow the City to systematically review sponsorship opportunities through the application of guidelines and the creation of a process to facilitate sponsorships and enhance events.

A number of sponsorship policies were reviewed from various cities including Houston, Carrollton, Round Rock, Plano, Sacramento, Coppell and Virginia Beach. Additionally, non-profit organizations such as the Texas Amateur Athletic Federation's "Games of Texas" were researched as part of best practices and benchmarking review.

Through research, it became evident that the first step was to clearly identify the differences between a *donation* and a *sponsorship*. A *donation* is defined as a free contribution (gift) whereas a *sponsorship* is when an organization pays for, or plans and carries out a project or activity. Sponsorships allow our corporate citizens and business community to access their target markets and/or demonstrate their interest in supporting their community through their financial or "in-kind" contributions. The City benefits by the increased access to resources to supplement City funding and providing the opportunity to enhance the event for the public's enjoyment. The private partner benefits by increased access to their target market by virtue of their support of the event.

An internal policy was finalized that includes key items such as pre-approval by the corresponding department's Assistant City Manager before entering into a partnership with any external organization, a flow chart indicating the process of how to seek sponsors if needed, and most importantly, setting the guidelines under which the City may accept or reject any sponsorship opportunities. The policy became effective on October 1, 2009 for a year long "test run" with a sunset date of October 1, 2010.

The Parks and Recreation Department would like to provide a mid-year review with the City Council, highlighting the current policy and also reviewing the sponsorship process that includes:

- Development of the sponsorship proposal
- Identification of potential sponsors
- Solicitation of sponsors
- Development and approval of the sponsorship agreement
- Implementation of sponsorship agreement

EXHIBITS

**CITY OF SUGAR LAND
INTER-DEPARTMENTAL POLICY AND PROCEDURE**

**POLICY NUMBER: PR-101
Effective Date: 10/01/2009**

ACCEPTING SPONSORSHIP FOR CITY EVENTS

PURPOSE

This Policy outlines the City's guidelines and requirements for accepting sponsorship agreements for its events. These guidelines and requirements have been established to ensure that sponsorships are consistent with the values and purpose of the City and its events.

BACKGROUND

This policy shall apply to all City employees and in all situations where sponsorship is to be accepted by the City for its events, except for SLDC, Sugar Land 4B, and any non-profit affiliate associated with the City.

DEFINITIONS

1. **Event**— means an activity or service organized and provided by the City that may include celebrations, events, fundraisers, or athletic, cultural or educational activities.
2. **Sponsor** - means an individual, business or organization that makes a monetary or in-kind contribution to the City in return for benefits and acknowledgement from the City.
3. **Sponsorship** - means monetary or in-kind support from a non-City entity in return for benefits by the City.

POLICY

The City of Sugar Land will pursue opportunities for sponsorship to enhance the quality of its events. These sponsorship opportunities will be sought from individuals, businesses and non-profit organizations. In return for sponsorship support, the City of Sugar Land will provide sponsors with benefits and acknowledgement commensurate with the value of their contribution and as agreed in a sponsorship agreement.

Benefits will correlate to the amount of sponsorship and size of the sponsored event as delineated in the annual budget process and development of the event(s) sponsor proposal.

This policy **does not apply** to gifts, grants or unsolicited donations that are subject specifically to the *Capital Donation* policy and/ or the *Receipt and Accounting for Tangible Donations* policy.

PROCEDURES

1. Sponsor Selection

- a. The City will consider and select Sponsors based on, but not limited to, the following criteria:
 - Compatibility of the Sponsor's mission and values with the City's mission, values and policies
 - Quality and reputation of the Sponsor's product or service
 - Sponsor's record of involvement in community and Municipal projects
 - Sponsor's intent and expectations in entering a sponsorship agreement with the City
 - Sponsor's timeliness and/or readiness to enter into an agreement
 - The value of the proposed Sponsorship
 - The cost to the City associated with the implementation of the proposed Sponsorship
- b. Sponsorships that create a conflict of interest or place the City in an ethical compromise will not be accepted.
- c. Event sponsorship will not be a consideration in the awarding of any contracts with the City
- d. The City reserves the right to approve or reject any form of Sponsorship for any reason whatsoever.

2. Sponsor Benefits And Acknowledgement

- a. In exchange for their contribution, Sponsors may receive benefits and acknowledgement from the City.
- b. Sponsors' benefits and acknowledgement will be commensurate with the estimated current market value of their contribution.
- c. Benefits may include publicity and agreed use of the Sponsor's name and logo in promotions, printed materials and signage.
- d. Any agreed use of the Sponsor's name and logo shall comply with all relevant City policies.
- e. Sponsors shall be solely responsible for obtaining the necessary permission to use photographs, trademarks, trade names, copyrighted materials or any other legally protected property they wish the City to use as part of their Sponsor benefits.
- f. Sponsor benefits shall not compromise the visual integrity or aesthetic value of a City-owned venue.
- g. Sponsor benefits shall not compromise or detract from the purpose of a City-owned venue or Event.
- h. At a minimum, the City will maintain equal billing and name recognition in partnership with the title sponsor of any Event.
- i. By providing Sponsorship, a Sponsor does not gain the City's endorsement of their company, product or service.
- j. No commercial Sponsor messages shall suggest endorsement by association with the City.
- k. Any use of the City's logo by the Sponsor must be approved by the City and is to be in accordance with the City's *Logo Guidelines*.

3. Sponsorship Agreement and Approval Authority

- a. All sponsorship offers shall be the subject of a sponsorship agreement, which should clearly outline all benefits and expectations for both the City and the Sponsor.
- b. All sponsorship agreements will be for a defined period of time based on the value and life of the Sponsorship.
- c. Authority to sign and negotiate the sponsorship agreement is granted to the appropriate and corresponding Executive Team member.

4. Audit and Receipting Procedures

- a. Cash sponsorships will be receipted and recorded according to the City's the *Receipt and Accounting for Tangible Donations* policy.

5. Terminating Sponsorships

- a. The City reserves the right to terminate any sponsorship should conditions arise during the life of that Sponsorship that result in the sponsorship conflicting with this policy or the best interests of the City.
- b. Decisions to terminate a sponsorship shall be made by the corresponding decision-maker who originally approved the sponsorship.
- c. If the sponsorship is terminated, the remaining available funds or in-kind contributions will be returned.

ACCOUNTABILITY

This Policy is administered by the Parks and Recreation Department and authorized by the City Manager.

FORMS

PR 101 F-1 Accepting Sponsorship for City Events Flowchart

SIGNATURES

INITIATING DEPARTMENT: Parks and Recreation DATE: 9/15/2009

DEPARTMENT HEAD: DATE: 9/25/2009

ASSISTANT CITY MANAGER: *Naren Day* DATE: 9/25/09

CITY MANAGER: Allen Boyard DATE: 9/28/09

Accepting Sponsorship for City Events Flowchart

Sponsorship Database

- Sponsorship database will be developed and maintained by the Event Production Management group.
- The purpose of the Sponsorship Database is to:
 - Limit duplicate solicitations of potential sponsors
 - Keep a current list of all City supporters and contacts
 - Keep an accurate history of sponsor relationships and activities with the City

Soliciting for Sponsors & Accepting Sponsorships Process Chart

Develop Sponsorship Proposal



Identify Potential Sponsors



Solicit Sponsors



Develop Sponsorship Agreement



Approving Sponsorship Agreement



Administer Sponsor Benefits

- Staff shall develop a sponsorship proposal that includes available sponsorship opportunities and benefits.
- Proposal's layout and design must be approved by the Communications Department to ensure it complies with the City's quality standards.
- Benefits will be reviewed by Director to ensure it complies with City policies

- In identifying potential sponsors, the Sponsorship Database should be referenced to determine if the potential sponsor has an established sponsorship history with the City.
- Sponsors who have recently given (ex: within the past three months) should be avoided - unless their notes indicate they are interested in regular contact/opportunities.
- Potential sponsors currently in negotiation with other City staff are to be avoided.
- Potential sponsors who have been approached recently/frequently, should also be avoided - unless their notes indicate otherwise (ex: "Not interested on this occasion, but please keep in touch").

- Authorized staff may contact and approach potential sponsor in the manner they judge to be appropriate (i.e.: by phone, mail, email, fax, in person).
- All contact and approaches shall be recorded in the Sponsorship Database.
- During negotiations, the authorized staff member may use their discretion to adjust sponsorship levels and benefits to suit the unique requirements of the potential sponsor and/or the department's needs.

- Once negotiations between staff and the potential sponsor are agreed upon, staff develops a Sponsorship Agreement, in which all benefits and expectations are clearly outlined.
- Draft Sponsorship Agreement should then be submitted to the corresponding

- Executive Team member will review the proposed Sponsorship Agreement, make any changes if necessary and then submit it back to staff for sponsor's final approval.
- A hard copy record of the Sponsorship Agreement is to be provided to the Event Production Management group.

- Ongoing administration of the Sponsorship Agreement and the management of the sponsor's relationship with the City shall be the responsibility of the relevant Department, which shall ensure that all sponsor benefits are met as agreed with the sponsor.
- Sponsors should also be contacted for feedback as to the success of their involvement and whether they wish to be contacted again for future opportunities.
- All information is to be communicated to the Event Production Management group to update the Sponsorship Database.